GUIDE 1

Quick start

and Introduction to

The *Expert4x* Magic Moving Average Expert Advisor

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The Quick Start Option.

If you are in a hurry and want to start trading as soon as possible follow the steps below. They will have you trading very quickly. You will have to be reasonably competent at using EAs to do the Quick Start option but the instructions below are quite clear so even beginners will manage. You could even use this quick start approach if you intend working through the course.

Step 1: Load the EA into a demo account of the broker you intend using.

Please follow the procedure covering the installation and first time activation of the EA mentioned in the User Manual to load the EA that was attached to your welcoming email. Normally your welcoming email will explain which period your EA is valid for. If this has expired you will also have to follow the instructions in section 5 of the User Manual to load the license files.

Step2: Open Guide 5 and load the quick start settings of your choice.

For demo trading we would suggest that you select as many currencies and as many time frames that you are comfortable with. Give each application of the EA a unique Magic number to make it easier for you to trace the results. You will have to load the EA on every unique currency/timeframe chart you have selected to trade.

Your EA will then be ACTIVE and TRADING.

After you are active you can start reading the rest of the course for more information about the Magic Moving Average EA and how to optimise and finding settings for it, if you wish.

Overview of the course and Expert Advisor.

Thank you for your investment in the Magic Moving Average Expert Advisor and Course.

The Magic Moving Average Expert Advisor course consists of:

1. **The Expert Advisor and license files:** Using the instructions provided in the user manual, the EA and license files need to be loaded into your normal MetaTrader installation. You will also need to load them into the EA Testing MetaTrader installation which you will create using Guide 2. Your initial EA may not require a license. You will be provided with 2 personal license files so that you can use them on a VPS service, Laptop or Desktop.

2. **A User Manual**: The user guide explains how to load the Expert Advisor and licenses and further explains the settings used by the expert advisor. You will see a further review of the settings used in the Guides that follow which will give you more confidence when using them. The User Manual also has a section on trouble shooting and how to get support.

3. **Guide 1:** This guide gives you the Quick start process, an introduction to the course and to the **Moving Average trading principles** used by the Magic Moving Average Expert Advisor. As mentioned above it discusses the settings in more detail.

4. **Guide 2:** This guide will help you find good **testing data** and help you create a separate EA Testing MetaTrader installation.

5. **Guide 3**: This guide will introduce you to the **Strategy Tester** and show you how to test your Magic Moving Average Expert Advisor.

6. **Guide 4:** This guide will help you **optimise and find the best settings** for any currency using any timeframe and how to apply them to the Magic Moving Average Expert Advisor.

7. **Guide 5:** This guide contains some quick start settings for those in a hurry. It contains optimised settings and lower risk settings for many currencies. The method of finding and selecting lower risk settings is shown in the Guide.

8. **The Magic Moving Average Course**. For a detailed understanding of moving average trading process we have included this guide which is normally sold as a separate course.

There are also videos covering the content of the course. These video links will be supplied to in your welcoming email.

The course attempts to teach you NOT to blindly implement the Expert Advisor using the default or even the recommended settings. That is pretty much what occurs with most Expert Advisors and you are almost guaranteed to fail in the long run using that type of approach with this Expert Advisor too.

The course (written in UK English) is about teaching you how to find the best setting for any currency and timeframe using the MetaTrader Strategy Tester with sound data. The best settings are not always the historically optimised ones. Optimised settings provide the guide towards finding high potential settings. This way you can start on the right foot and manage the Expert Advisor continuously over the years.

Highly experienced traders may not learn that much. Traders who have never used an EA before or have used them very badly, may find the course highly enlightening and in some cases life changing. Beginner traders may find the concepts overwhelming. No matter which group you fall into, we hope that you find the course and EA worthwhile and that it adds to your Forex Trading experience and future success. At times this course might feel like hard work, but remember you don't get strong from hiring someone else to do your push-ups. You will benefit from everything that you do.

To quote Shakespeare:

Brutus: "There is a tide in the affairs of men. Which, taken at the flood, leads on to fortune; Omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat, and we must take the current when it serves, Or lose our ventures."

Julius Caesar Act 4, scene 3, 218–224

We hope that this timely course will help you find opportunities that lead to your success.

Introduction to the Magic Moving Average Expert Advisor

In his book "***The Encyclopaedia of Technical Market Indicators***" Robert Colby analysed 127 of the best and most popular Technical indicators using almost 100 years of stock market information. He compared his results to a Buy and Hold strategy. In other words, the increased value of the investment if held for +/- 100 years was determined. This value was compared to the value if you had used technical indicators to buy and sell during that particular period. Some indicators gave negative returns and others positive returns. Strangely enough the final results showed some shocking results.

The Moving average crossover system filled the top 2 spots in the list of 127 indicators tested. (+$77Mil and +$51Mil) The next best indicator was +$12Mil – a considerable amount less than the top 2. **Moving averages** were one of the very first and also one of the simplest indicators ever used by technical analysts.

Why are we telling you this? The moral of this analysis is that **very often the simplest indicators or techniques do the best jobs** when using technical analysis.

The Magic Moving Average system is such a very simple concept. Don't for one moment think that if something is simple, it will not work.

The Magic Moving Average technique

We have included the Magic Moving Average Course ebook as part of this course. Please review this ebook for more details on the moving average crossover technique.

The moving average crossover system is no secret. It is the first one we all learn. It is by far the most successful technique tested on stock market data over 100 years. The technique is simple. You enter a buy when the price closes above the moving average for the first time. You enter a sell when the price first closes below the moving average for the first time. A buy entry can also be the close for the next sell transaction. The sell entry can also be the close for the next buy transaction. You can stop and start trading the system at any time and you can refine the system with following stops and targets. By its nature there is only one transaction active at any one time for every application on the technique. You have a choice to trade as many currencies and timeframes as you like.

So what gives this system the potential to produce great positive results? It is trading the most appropriate ***volatile currency***, at the most appropriate ***time of day*** or ***day of the week***, using the most appropriate ***MA period and offset*** settings, with the appropriate ***target or following stop*** on a ***long term*** or ***day trading*** basis.

The EA is not only designed for automated trading. As you will see the EA helps you find answers to the above questions about which currency , which time frame, which time of day, which day of the week, which settings and which target to use.

This EA comes with initial suggested settings (see Guide 5) and shows you how to manage them into the future.

Please note: By its very nature the moving average technique has a very low ratio of successful trades compered to unsuccessful trades. It does however make up for this by producing huge average gains on its successful trades. Sometimes the Moving Average Technique can be financially successful with a low success rate of 30% but with an average gain on successful trades that is up to 10 times bigger than the average loss.

Are you a total beginner?

In many ways you are lucky. You will learn an approach to successful Forex trading by following a step by step process. We will try to keep things simple so that you can succeed by merely following the directions. Please bear in mind that this is not a beginner's course and if you would like a comprehensive introduction to Forex Trading please use the beginner's course available on our www.Expert4x.com website.

You have the advantage of not having the baggage and battle scars of more experienced unsuccessful Forex traders who may have turned their knowledge and experience into a liability rather than an asset.

You would do well to follow the directions as given. Resist the temptation to try to learn everything there is to learn about everything as quickly as possible as you progress. Please use the support provided if you need to.

Always remember to use your common sense and other resources such as Google and YouTube to resolve gaps in your Forex Trading knowledge.

You may have to review the course material more than once so that you can see the big picture and how the details fit into the big picture. If you still have questions after going through the course at least twice please send your questions using the support provided.

Expert Advisors are only trading robots that are taking trading decisions we would have made if we were trading manually. Please remember that you are their master and they are your slave. Not the other way round. You have to make the Expert Advisor do what you want it to do. You have to remain in control and provide leadership. Once your slave understands who is in control it will service you well.

This course shows you how to take control, take responsibility for your own trading, take ownership of your decisions, develop trust and confidence in your decisions and above all have fun and enjoy yourself.

Installing your Expert Advisor and Activation Files

Your welcome email will contain the actual Expert Advisor and the activation files. The activation files will ensure that your EA is a valid copy and ensure that it is used on only 2 of your personal IP addresses. The need for 2 licenses will occur where clients use a desk top and a VPS service, or use both a laptop and desktop with different IP addresses.

The EA can be used on multiple accounts.

After a few days of purchase we will send you 2 new activation licenses to ensure continued use of the EA. The same will occur in approximately 30 days and 60 days after purchase – after that your EA will be permanently activated.

For more information on the Expert Advisor and the activation files please refer to the user manual.

Overview of Settings and Variables

The Expert Advisor variables are discussed in the User manual. Below is a further discussion. There may be some duplication in content.

The trading philosophy when trading this system is to catch the big trends when they happen and to ride these trends until they reverse. To do this we need to identify the appropriate mix of variable which will be mentioned below.

- The **Currency** cross used;
- The **Time frame** used;
- The **Day** of the week;
- The size of deals in terms of **lots;**
- The **Hours** of the day traded (2 Periods are provided for in the EA);
- The Moving Average period used;
- The Moving average offset used;
- The Size of the **Targets;**
- **The size of the Trailing (following) stop.**

With so many variables there are a huge number of potential profitable combinations of the above settings. This EA is not only about automating trading the market but the EA itself helps you find these potentially profitable combinations. The information contained in the other Guides about using good test data and optimising and testing the EA should help you find many other combinations and manage the EA on a continuous basis.

We do provide some optimised combinations as at the end of September 2012 which will get you going immediately. It would however be in your best interest to use the optimisation techniques to manage the Magic Moving Average technique on an ongoing basis or to find alternative profitable settings.

The Currency

The **currency** is selected by merely selecting the Currency Chart you are going to trade. From the MT4 main menu select “File” then “New Chart” to do this and then load the EA onto this chart. See the User Manual if you are unsure about doing this.

The Time Frame

Once the EA has been added to the selected Currency chart you which to trade you can select the **time frame** you wish to trade. From the MT4 main menu select "Charts" and then "Periodicity" and then select the time frame you wish to use.

So now that we have selected the currency and timeframe we can now pay attention to the variables of the Expert Advisor that has been loaded. Just press "f7" to access the Expert Advisor settings and variable.

Days of the week

During the testing and optimisation process you may find that certain days are more profitable than others. There could even be days of the week to avoid. These "day of the week" settings allow you to only trade on the days of the week you want to trade. The EA user can set the days on which trading should occur. Enter 0 for No and 1 for Yes. This setting is of more value when using the shorter time frames such as the 1 and 5 minute time frames.

Variable	Value
DaysHelp	Allow trade for a day 0:Off 1:Active
Monday	1
Tuesday	1
Wednesday	1
Thursday	1
Friday	1
Saturday	1
Sunday	1

Transaction sizing

You can enter the lot sizes you want to use for your transactions. 1.0 is normally 1 main account lot. 0.1 would then be a mini lot and 0.01 would be a micro lot if available.

Variable	Value
LHelp	Lot size of market orders
Lots	0.1

Second window (timeframe) activation

If you want to use the 2nd time frame when day trading enter a 1 to activate this setting. Otherwise set it for 0. This is used to enable the automation of trading of 2 periods during a day.

Variable	Value
SWEHelpHelp	Activate 2nd trading window 0:Off 1:Active
SecondWindowEnabled	0

This ties into the discussion of trading times during the day below.

Trading Times during the day

This Expert Advisor allows you to specify up to 2 trading periods during the day if you like. This facility is useful if you only want to trade, for instance, the open of the European and the US sessions.

The settings for the first period have a 1 behind each variable description and the settings for the 2nd period have a 2 behind each variable description. If you don't want to use a second period enter 0's in all the settings for the second period.

If you don't want to trade period during the day enter 0's in all the time variables. This will occur when you want to trade the Daily Charts for instance or if you want to trade the system continuously.

Example 1: Trading 2 periods

Settings to only trade the period from 9:30 to 12:59 as a first period.

Variable	Value
ServerHourFrom1	9
ServerMinFrom1	30
ServerHourTo1	12
ServerMinTo1	59

Settings to trade from 14:30 to 22:00 as a second period.

Variable	Value
TW2Help	Second trading window in broker's server time
ServerHourFrom2	14
ServerMinFrom2	30
ServerHourTo2	22
ServerMinTo2	0

Overlapping periods are allowed but may only result in duplicate transaction during the overlap.

Example 2: Trading 1 period a day.

Setting to only trade one period during the day.

Variable	Value
ServerHourFrom1	9
ServerMinFrom1	30
ServerHourTo1	12
ServerMinTo1	59

+

Variable	Value
TW2Help	Second trading window in broker's server time
ServerHourFrom2	0
ServerMinFrom2	0
ServerHourTo2	0
ServerMinTo2	0

Set ALL your other variable relating to period 2 to "0" to avoid any additional trades.

Example 3: Trading continuously.

Variable	Value
TW1Help	First trading window in broker's server time
ServerHourFrom1	0
ServerMinFrom1	0
ServerHourTo1	24
ServerMinTo1	0

+

Variable	Value
TW2Help	Second trading window in broker's server time
ServerHourFrom2	0
ServerMinFrom2	0
ServerHourTo2	0
ServerMinTo2	0

Set period 2 variables to "0" and use period 1 as your input for continuous trading.

Moving Average period and offset settings.

As seen below you can set the Moving Average period and Offset for both period 1 and 2. The whole idea is that traders may want these settings to differ from period to period. When using only one period or trading continuously please leave the second period settings blank. For more details about what these settings mean refer to the Magic Moving Average Course in pages 8 to 10.

Variable	Value
MAP1Help	Moving Average Period and Offset parameters
MAPeriod1	14
MAOffset1	6

MAP2Help	Moving Average Period and Offset parameters
MAPeriod2	8
MAOffset2	4

Targets

Traders can decide to use a target, or to the moving average crossover or a Trailing (following) stop as a way of exiting. All 3 methods of exit can be used at the same time. The EA will use the one that occurs first to close the transaction. The crossover exit is programmed into the EA and cannot be switched off.

Important: There is no stop variable as the crossover exit method is used as the stop.

If you want to use a target enter the pip value in the space provided. If set to 0 no target will be used.

Variable	Value
TP1Help	Set target profit in pips 0:Off
TakeProfit1	0

TP2Help	Set target profit in pips 0:Off
TakeProfit2	0

Trailing Stops.

Traders can decide to use a target, or to the moving average crossover or a Trailing (following) stop as a way of exiting. If you want to use a trailing stop enter the pip value in the space provided. If set to 0 no trailing stop will be used. The trailing stop is a pip buy pip one. When your pip gains reach the pips specified in the settings the trailing stop will automatically activate. As your gains increase the trailing stop follows the direction of the gains by the number of pips in your settings. When the price retraces the stops remains where it is. For more details on Trailing stops use the MT4 help.

Variable	Value
TS1Help	Set trailing stop in pips 0:Off
TrailingStop1	0

TS2Help	Set trailing stop in pips 0:Off
TrailingStop2	0

The Magic Number Setting.

The magic number allows you to trace your transaction on your trading account. These are reference numbers that are handy when trading many versions of the Expert Advisor or when trading many EAs at once.

MagicNumber	20120930

The New Bar Window Seconds setting.

This setting is the time delay allowed before the Expert Advisor will stop trying to place and order. You can leave the default of 60 seconds. This is particularly handy to prevent transactions based on old signals when loading your EA.

NBWSHelp	Max delay to trade at new bar open (seconds)
NewBarWindowSec	60

The ECN or STP Account setting.

ESAHelp	Broker account type ECN:true other:false
ECNorSTPAccount	true

Some brokers (in particular Electronic Communications Network *(ECN)* and Straight Through Processing *(STP)* Brokers) do not allow the INITIAL buy and sell market orders to have STOPS or TARGETS (take profits). In this case, when this parameter is set to TRUE the take profit and stop loss values are only set once the initial order has been successfully submitted. When this parameter is set to false the take profit and stop loss values are submitted with (at the same time) the initial order.

IMPORTANT.

ECN or STP brokers **do not allow stop loss and take profit targets set for the initial market order**. Instead, a second order is used to set those, following the initial order with no Stop Loss or Take Profit. The DailyPivot EA can execute this initial+second order approach for these brokers when configured so. Please set the **ECNorSTPAccount** parameter to **TRUE** to turn this feature on. If you are not sure if your broker is an ECN or STP broker visit their website or contact them directly. If you receive error reports when using your Expert Advisor consider an alternative setting to what than you have for this variable/parameter.

Optimising your Magic Moving Average Expert Advisor.

The profitability of the Magic Moving Average Expert Advisor is mostly dependent on getting the following major settings / variables right for the currency and timeframe used:

- The Moving Average Period settings;
- The Moving Average offset settings ;
- If day trading, the time of day settings (FROM Hours and minutes TO Hours and Minutes);
- The Target settings;
- The Trailing (following) stop settings.

In addition each day of the week can be optimised using the above – especially for very short time frames.

Optimisation occurs using the standard Strategy Tester available on any MetaTrader 4 platform.

See Guide 4 and Guide 5 for more details for find these settings.

Trading strategies

The following strategies can be used by the Magic Moving Average Expert Advisor

- Trade **one period** every day;
- Trade **two periods** every day;
- Trade selected **days of the week** with differing selected settings;
- Trade **continuously** using fixed settings;
- Trade a number of **currencies** using a combination of the above techniques;
- Trade a number of **time frames** using a combination of the above techniques.

You should be able to determine the settings for the above strategies after reviewing the section on "Expert Advisor settings" earlier in this guide.

Ongoing support

We have tried to make the course material and videos as clear as possible. This has been further supplemented by user testing of the materials at all levels. We have a web based Question and Answer Facility, which includes additional questions raised by testers and other clients, where you can search for a possible answer to your question This can be found on our blog at http://expert4x.com/magicmaquestionsnanswers/ The password is MM@@GG!!CC

Hopefully these sources will cover any of your questions. If you do have any further questions please use our email support.

If your question is of a technical nature relating to aspects of the technical implementation and running of the EA please contact our technical department at EAsupport@Expert4x.com .

If your question is regarding the actual trading aspects of the EA please contact info@Expert4x.com .

Please allow 24 hours for answers to your questions.

Questions and Answers

Question 1: Immediate trade generation

When I dragged on the EA and entered inputs an few minutes later the EA entered a trade, is this a valid trade?

Answer 1: Immediate trade generation

Very likely the bar which came a few minutes later fulfilled the trading setup criteria and therefore the EA opened an appropriate position. For more details and insight why the EA made a trade take a look at the 'Experts' tab content on the Terminal panel ("Ctrl+T"). Scroll down to that time when the trade happened and you will see log messages by the EA describing steps it performed.

On the other hand you may experience long periods with no trades it the entry trading conditions are not met.

Question 2: License key expiry

The license keys are valid for such short periods. The latest one is only valid till for a month. Will there be an impact if there are ongoing live trades when the license key expires?

Answer 2: License key expiry

The license files are generally valid for a month and only 3 need to be loaded over the life of the EA. Unfortunately the industry that we are in requires us to try to protect our EA's.

Yes, on expiry the Expert Advisor **will stop working completely**. That is why it is important to update your license keys when they are sent out to you. They will be sent out 2 to 3 days before the expiry date. The expiry dates have been planned to be over a weekend. So you will have lots of time to update the license keys over a weekend and your trading will be unaffected. You EA is not impacted by the process – all you need to do is load the new license file into your MT4 platforms. Instructions are in section 5 of the User Manual.

Question 3: Dynamic IP Addresses

My internet service provider uses dynamic IP addresses so they change after a couple of days. Will I be able to use the EA?

Answer 3: Dynamic IP Addresses

The License also does a hardware test so you should be fine.

Question 4: EA not working

I have set the MagicMA EA up as per the users' guide. I have it running on the EURUSD and EURJPY. Each currency pair is set up on 5 daily charts. The notes on the chart say it is enabled I have used the settings as per Guide 5.The charts show the EA is running. I have set "Long & Short" positions, Enable alerts, Allow live trading, Allow DLL imports, Allow import of external experts.
I have had it up operating since Monday, my time. The price has crossed the MA a number of times. Yet no trades have been triggered……..Any suggestions?

Answer 4: EA not working

Please double check that your account is an ECN or STP one. If it is then set the EA parameter ECNorSTPAccount to true to enable the EA submitting market orders as per ECN requirements. For more details please refer to the User guide.

Question 5: 4 and 5 digit brokers

Do I have to make any adjustments if my broker is a 4 digit broker.

Answer 5: 4 and 5 digit brokers

The EA adjusts the entry price and stops and targets automatcally as per the 4 or 5 digit feed. So if the target is 100 pips then it should always be entered as 100 pips regardless of 4 or 5 digit feed. In case of 5 digit feed the EA will multiply by 10 the 100 to make it into 1000 internally which is needed due to the fractional price at the broker.

Please refer to the first section of the User Manual for more details.

Question 6: Importance of the Magic Number

I have set the EA on 5 different charts for 5 different days, so that the EA can trade independently each day and each day has the following settings – How do I keep track of the trades.

Answer 6: Importance of the Magic Number

The key here is the MagicNumber. If the same MagicNumber is used for all charts then you will not be able to distinguish between trades made in the different days and currencies. If each chart has unique MagicNumber then each transaction will have that number as a reference.

Question 7: Problems loading and activating the license file

I have received the new license keys but I am completely stuck. Have followed the help guide several times but no success. The smiley face is on, my screen still says license expired. The

MagicMA icon on the navigation bar is greyed out. The EA has been working fine until license expired. Any ideas please?

Answer 7: Problems loading and activating the license file.

Double check the following 3 areas:

1. License file is named exactly as MagicMA**_license.key;**

2. License file is stored into the **"files" folder** in the "experts" folder (experts/files folder) of the MT4 installation you are **currently using;**

3. **Restart MT4** by closing it and reopening it to allow the system to pick up the new license file.

Important: Your email provider may rename the license file while downloading the attachment hence the importance of the first step. Also make sure that there are no other files in the "files" folder before loading the new license file. Delete other license files. **Do not load the license file in the "experts" folder.**